



GOV. MSG. NO. 941

EXECUTIVE CHAMBERS  
HONOLULU

LINDA LINGLE  
GOVERNOR

June 15, 2007

The Honorable Colleen Hanabusa, President  
and Members of the Senate  
Twenty-Fourth State Legislature  
State Capitol, Room 409  
Honolulu, Hawaii 96813

Dear Madam President and Members of the Senate:

This is to inform you that on June 15, 2007, the following bill was signed into law:

HB1004 HD2 SD1 CD2

A BILL FOR AN ACT RELATING TO CONSUMER  
ADVOCACY.  
(ACT 183)

Sincerely,

JAMES R. AIONA, JR.  
Acting Governor

Approved by the Governor

on JUN 15 2007

HOUSE OF REPRESENTATIVES  
TWENTY-FOURTH LEGISLATURE, 2007  
STATE OF HAWAII

**ACT 183**

**H.B. NO.** 1004  
H.D. 2  
S.D. 1  
C.D. 2

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# A BILL FOR AN ACT

RELATING TO CONSUMER ADVOCACY.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

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**PART I**

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SECTION 1. Progressive energy policy-making on the state

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level is one of the most important issues on the legislative

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agenda. Regulatory reform, specifically in the public utilities

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commission and the division of consumer advocacy of the

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department of commerce and consumer affairs, is essential to the

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successful implementation of recent and future energy policy

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reform. Recent legislation relies on professional staff in the

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agencies to use their skills and experience in various areas

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relating to public utilities to research, analyze, examine, and

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process legislative mandates.

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The current organization of the division of consumer

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advocacy has not kept up with the recent changes made by

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legislation in the regulatory conditions, duties, and

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requirements of the division, diminishing its ability to perform

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effectively in the following ways:

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(1) Difficulty recruiting and retaining qualified

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individuals to fill specialized positions that require

HB1004 CD2 HMS 2007-4281



1 skills and experience that involve the performance of  
2 certain functions;

3 (2) Specialized job requirements that do not correspond  
4 with existing position descriptions and  
5 classifications;

6 (3) Bureaucratic obstacles in changing existing position  
7 descriptions and classifications;

8 (4) Salaries that are substantially below mainland agency  
9 or private sector equivalents, especially considering  
10 the demanding and arduous job requirements; and

11 (5) Agency organizational structures that are archaic and  
12 unsupportive of efficient work flow or the matching of  
13 human resources to the required tasks.

14 Act 143, Session Laws of Hawaii 2006, was passed to obtain  
15 an in-depth review of the division of consumer advocacy's  
16 organization and to develop a comprehensive plan to effectively  
17 restructure and supplement the division and its resources to  
18 function more effectively and efficiently. A report was  
19 submitted to the legislature in December 2006 by the division,  
20 specifying, as requested, the specific types and numbers of  
21 positions and the amounts necessary to restructure the division  
22 and supplement its resources.



1 The purpose of this part is to enhance the ability of the  
2 division of consumer advocacy to carry out its duties and  
3 responsibilities by:

4 (1) Requiring the division to restructure its operations  
5 pursuant to the division's December 2006 report to the  
6 legislature to improve its effectiveness and  
7 efficiency; and

8 (2) Appropriating funds to meet the costs incurred as a  
9 result of the restructuring process.

10 SECTION 2. (a) The division of consumer advocacy,  
11 department of commerce and consumer affairs, shall restructure  
12 its operations as provided for in the division's report to the  
13 legislature required pursuant to Act 143, Session Laws of  
14 Hawaii, 2006.

15 (b) The restructuring shall include the following:

16 (1) The existing financial analysis branch shall be  
17 renamed the regulatory analysis branch and shall house  
18 the integrated resource planning analyst,  
19 telecommunications analyst, and four auditor  
20 positions, which shall be redescribed as researcher  
21 analysts and conduct research and analysis in rate



- 1 case and other proceedings and research new  
2 developments in utility regulation;
- 3 (2) The new regulatory analysis branch shall be expanded  
4 to add two additional exempt positions for researcher  
5 analysts;
- 6 (3) The existing economics and pricing branch shall be  
7 renamed the rate analysis branch, and the economist  
8 and research statisticians shall be redescribed as  
9 utility rate analysts, who will review applications  
10 for rate increases and tariff or rule amendments;
- 11 (4) Both the new regulatory analysis and rate analysis  
12 branches shall be supervised by a branch chief within  
13 the same class as the analysts and researchers within  
14 their respective branches to aid recruitment and  
15 retention efforts, ensure job satisfaction and  
16 personal growth, and encourage upward mobility within  
17 the branches; and
- 18 (5) Professional staff shall be encouraged to participate  
19 in staff training seminars to obtain a general  
20 understanding of the subject matter and receive  
21 regular updates to regulatory conditions.



1 (c) Upon request by the division of consumer advocacy, all  
2 other state and county agencies shall assist the division in  
3 carrying out this part. The departments of human resources  
4 development and budget and finance shall continue to work  
5 cooperatively with the division as is deemed necessary by the  
6 division, to:

- 7 (1) Rename or redescribe job descriptions;
- 8 (2) More closely correlate the actual work of the  
9 professional staff with the types of positions within  
10 the division; and
- 11 (3) Provide those positions with, where reasonable and  
12 equitable, more compensation to attract qualified  
13 applicants to the division.

14 (d) Nothing in this section shall be construed to limit  
15 any existing authority of the department of commerce and  
16 consumer affairs to restructure the division of consumer  
17 advocacy without prior legislative approval.

18 SECTION 3. Section 269-52, Hawaii Revised Statutes, is  
19 amended to read as follows:

20 "**§269-52 Division of consumer advocacy; personnel.** There  
21 shall be a division of consumer advocacy within the department  
22 of commerce and consumer affairs to provide administrative



1 support to the director of commerce and consumer affairs acting  
2 in the capacity of consumer advocate. The director may employ  
3 and at pleasure dismiss an executive administrator, who shall be  
4 exempt from chapter 76, may define the executive administrator's  
5 powers and duties, and fix the executive administrator's  
6 compensation. The director may employ engineers, accountants,  
7 investigators, clerks, and stenographers as may be necessary for  
8 the performance of the consumer advocate's functions, in  
9 accordance with chapter 76; provided that:

- 10 (1) The director may employ up to [~~four~~] ten utility  
11 analysts exempt from chapter 76; and  
12 (2) Each analyst shall possess at least the minimum  
13 qualifications required of comparable experts in the  
14 relevant industry."

15 SECTION 4. There is appropriated out of the public  
16 utilities commission special fund the sum of \$168,000 for fiscal  
17 year 2007-2008 and the sum of \$168,000 for fiscal year 2008-2009  
18 to be deposited into the compliance resolution fund.

19 SECTION 5. There is appropriated out of the compliance  
20 resolution fund the sum of \$168,000 or so much thereof as may be  
21 necessary for fiscal year 2007-2008 and the sum of \$168,000 or  
22 so much thereof as may be necessary for fiscal year 2008-2009



1 for two permanent utility analyst positions exempt from chapter  
2 76, Hawaii Revised Statutes, in the division of consumer  
3 advocacy, department of commerce and consumer affairs.

4 The sums appropriated shall be expended by the department  
5 of commerce and consumer affairs for the purposes of this part.

6 SECTION 6. There is appropriated out of the public  
7 utilities commission special fund the sum of \$30,000 for fiscal  
8 year 2007-2008 and the sum of \$30,000 for fiscal year 2008-2009  
9 to be deposited into the compliance resolution fund.

10 SECTION 7. There is appropriated out of the compliance  
11 resolution fund the sum of \$30,000 or so much thereof as may be  
12 necessary for fiscal year 2007-2008 and the sum of \$30,000 or so  
13 much thereof as may be necessary for fiscal year 2008-2009 to  
14 send the professional staff of the division of consumer advocacy  
15 to specialized training seminars to obtain a general  
16 understanding of the subject matter and receive regular updates  
17 of regulatory condition changes.

18 The sums appropriated shall be expended by the department  
19 of commerce and consumer affairs for the purposes of this part.

20 **PART II**

21 SECTION 8. (a) The legislature finds that despite a broad  
22 range of identity theft legislation enacted by the legislature





1 in 2006 through Act 140, Session Laws of Hawaii 2006, identity  
2 theft remains a critical issue for Hawaii consumers. In fact,  
3 the revelation early in 2007 that personal data of 11,500  
4 families enrolled in a program for low-income women and children  
5 was at risk after a department of health employee allegedly  
6 stole information from a client database has revealed the  
7 continued threat posed by identity theft.

8 A recurring concern in legislative hearings on identity  
9 theft was the use of a social security number as a means of  
10 identification and the vulnerability of that information.

11 Act 140, Session Laws of Hawaii 2006, changed the name of  
12 the Hawaii anti-phishing task force to the identity theft task  
13 force and extended the duration of the task force to  
14 December 31, 2007. With staffing and research assistance  
15 provided by the office of the auditor, the task force continues  
16 to focus on:

17 (1) Examining state agencies charged with the  
18 responsibility of developing policies, procedures, and  
19 operations to prevent, monitor, and enforce electronic  
20 commerce-based criminal activities and sanctions;



1 (2) Deriving best practice models from the review of other  
2 jurisdictions' activities, policies, and laws related  
3 to the prevention of electronic commerce-based crimes;

4 (3) Exploring other options available to the task force to  
5 deter electronic commerce-based crimes from occurring  
6 in the State; and

7 (4) Establishing findings and recommendations on  
8 electronic commerce-based crime prevention.

9 (b) The purpose of this part is to further these and other  
10 proactive efforts to protect Hawaii consumers by appropriating  
11 funds to the office of the auditor for continued research and  
12 support services necessary to develop additional deterrents for  
13 identity theft.

14 SECTION 9. There is appropriated out of the general  
15 revenues of the State of Hawaii the sum of \$100,000 or so much  
16 thereof as may be necessary for fiscal year 2007-2008 for  
17 research and support services necessary to protect Hawaii  
18 consumers by developing additional deterrents for identity  
19 theft, and in particular those related to the compromise of  
20 electronic data and information, and social security numbers in  
21 public records.



1 The sum appropriated shall be expended by the office of the  
2 auditor for the purposes of this part.

3 **PART III**

4 SECTION 10. The purpose of this part is to allow business  
5 and government an additional year to comply with the provisions  
6 of Act 137, Session Laws of Hawaii 2006, relating to social  
7 security number protection.

8 SECTION 11. Act 137, Session Laws of Hawaii 2006, is  
9 amended by amending section 3 to read as follows:

10 "SECTION 3. This Act shall take effect on July 1, [~~2007-~~]  
11 2008."

12 SECTION 12. Statutory material to be repealed is bracketed  
13 and stricken. New statutory material is underscored.

14 SECTION 13. This Act shall take effect on June 30, 2007;  
15 provided that sections 4, 5, 6, 7, and 9 of this Act shall take  
16 effect on July 1, 2007.

APPROVED this 15 day of JUN, 2007

*James R. Aiona Jr.*  
ACTING GOVERNOR OF THE STATE OF HAWAII  
JAMES R. AIONA JR.

